

C H A P T E R - II

CO-OPERATIVE BANKING- AN OVERVIEW

2.1 INTRODUCTION

Co-operative Banks in India continue to remain the forefront of our financial system. On the other hand banks have been instrumental in inculcating the banking habits among the people from different stratas of the society through mobilising and holding deposits.

The co-operative banks become the soul of every business in any field in rural area. The co-operative banks provide finance for running the business.

The co-operative banks are playing very dominant role for providing the short-term, medium-term and long-term credits to the agriculturists and to others for various purposes. The agricultural credit societies, central co-operative banks, state co-operative banks and co-operative Mortgage Banks are engaged in pooling their resources from various agencies for providing termwise credit to the agriculturists. In their efforts these agricultural banks are also immensely helped by the Government, RBI, SBI, the commercial banks, credit to the organised sector of the industry, trade and commerce and the business. Thus a large number of urban people of small means and limited resources are left out without any instructional agency to provide them cheaper credit.

2.2 CO-OPERATIVE BANKING STRUCTURE

Since the credit sector is "The Prince of Denmark" in the whole apparatus the co-operative movement, it merits the pride ^{of} place in the present study of co-operation. The co-operation banking structure is pyramidal or federal in character. At the base, that is at the village level, there is a primary credit society upon which the whole edifice of co-operative credit is based. These societies are federated at the district level into a central society called the central co-operative bank. At the state level, the district banks are federated into an apex bank. The state co-operative bank in its turn is closely linked with the National Bank for Agricultural and Rural development, which provides considerable financial assistance to co-operative credit structure. This is the set up in regard to short-term financing. The urban co-operatives, however, do not exactly fit into this federal structure. The long term credit structure at the moment consists of two tiers; these are primary land mortgage bank at the base and central and mortgage banks at the top. In some states central land development banks operate through their branches. These are in addition, a few industrial banks operating at the state or district level. A chart given on next page brings

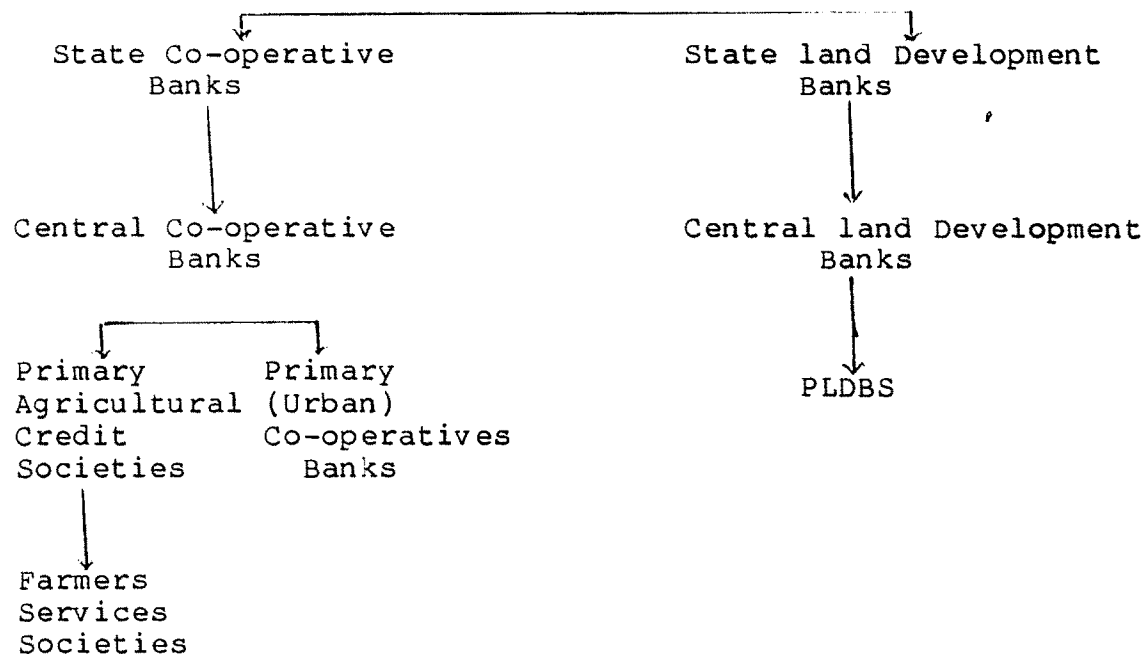
out the structure and credit structure of the co-operative banks.

STRUCTURE OF CO-OPERATIVE BANKS IN INDIA

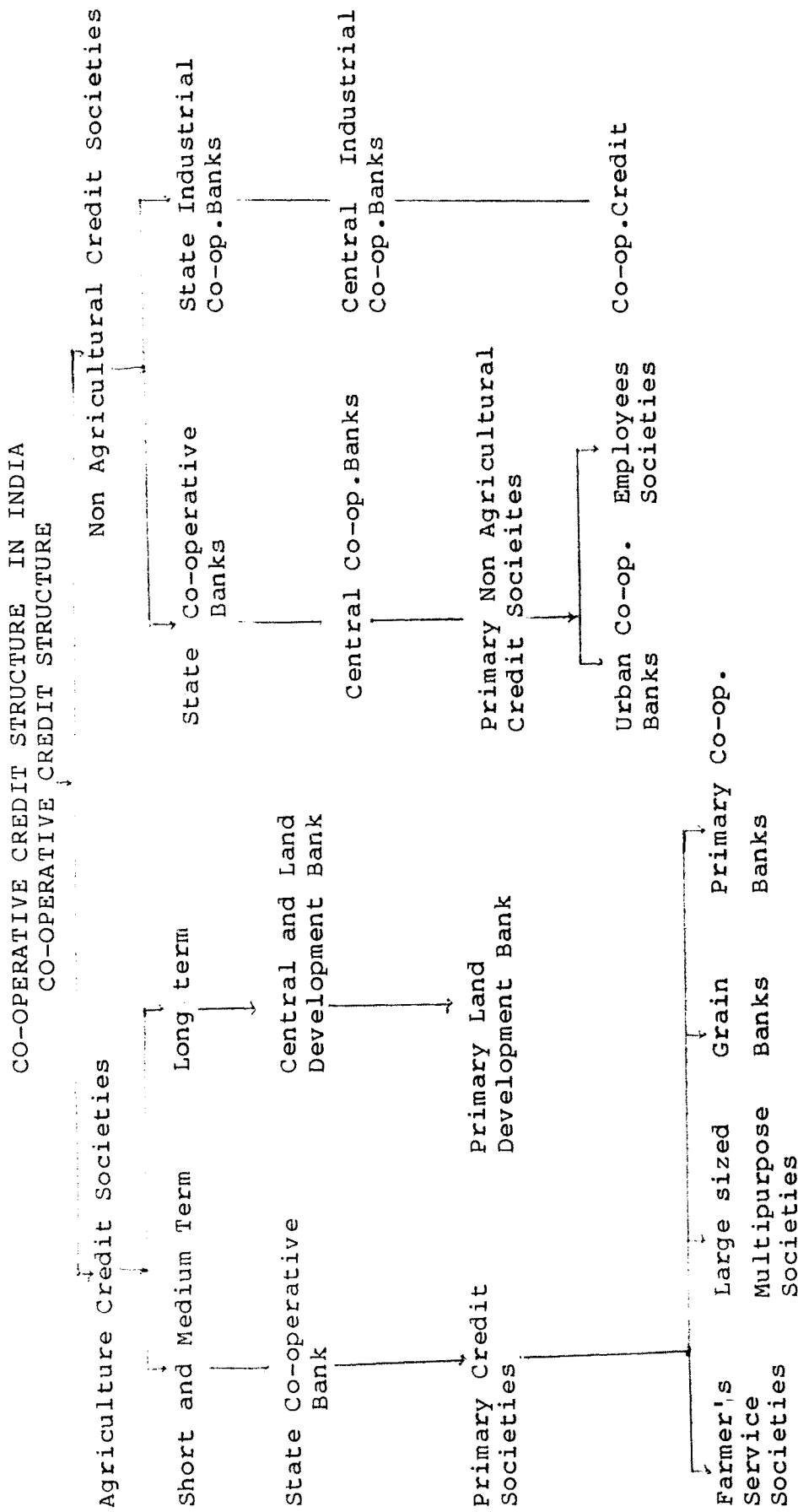
Indian Banking system under the authority of RBI is categorised as under :

- I Commercial Banks.
- II Co-operative Societies.
- III Other Institutions- a) Government (b) Public sector (c) Private sector.

CO-OPERATIVES SOCIETIES



Source : Indian Banking Nature and Problem



Source :: INDIAN BANKING NATURE AND PROBLEM

2.3 NEED OF CO-OPERATIVE BANKS

The co-operative banks are playing very important role in nation's economy. They constitute the majority of the co-operative, private and semi-Government sector. The co-operative Banks are very useful^{to} business man of small traders, artisans, hawkers, travellers, etc.

None of these come under the view of commercial banks, because they do not satisfy the standards followed by them for financing. "Without blood man can not alive" under this principle without money/finance a business^{man} can not run his business and in this case co-operative banks are very useful.

The need for co-operative banking arises from the fact that joint stock banks are not interested in providing the credit to the middle class peoples. This is because, it is not advantageous of joint stock banks in developing the business of small loans on account of the highest cost of advancing and recovering them. The urban co-operative banking system took birth to fulfil the necessities of the middle class of the people.

Thus the co-operative banking in India established with chief objective of catering to the banking and credit requirements^{of} middle class, small

traders, small businessman, the artisan, factory worker, the salaried people with a limited fixed income in rural, urban and semi-urban areas.

2.4 MOTIVATING FACTORS TO BORROW AMOUNT FROM BANKS

Every society makes a system of roles fulfilling its need. A popular saying is "Need is the mother of Investigation" As taking into mind this principle the people borrows amount from bank.

Why people Borrows from Bank ?

There are various reasons for borrowing amount from bank. These are-

1. Setting up new business/enterprise.
- 2 Expansion of present business.
- 3 To fulfil the requirement of working capital
- 4 To remain in the competitive market
- 5 Solving some domestic problems
 - a) To meet educational expenses of sons/daughters
 - b) To made expenditure on marriage of daughter.
 - c) Major sickness involving higher expenditure.
- 6 Maintaining standard of living
 - a) House repairs
 - b) Purchase some domestic things such as
 - i) Television (ii) Sofa-set (iii) Cub-board
 - iv) Other some domestic articles.
 - c) Purchase vehicle (Enjoyment) scooter, Hero-Honda

- 7 Purchase vehicle for business.
- 8 For buying a plot for (a) Business (b) Domestic purpose.
- 9 Amount also can be borrowed for maintain the family.

2.5 RATE OF INTEREST

One of the essential requisites of agricultural credit is that it should not be too costly. A co-op. society is expected to provide loans at a reasonable rate of interest. The rate of interest charged by the agricultural credit societies varies from state to state but it usually ranges between 8 to 9 per cent.

The interest rate charged by the co-operative is much higher in some of the Asian countries

Table -2.1

TABLE SHOWING ANNUAL RATES OF INTEREST CHARGED BY CO-OPERATIVES IN SELECTED COUNTRIES

Sr.No.	Country	Rate Percent
1	India	8.5 to 12
2	Japan	11
3	Malaya Federation	12
4	Philippines	12
5	Thailand	8.5

Source : The Banker 1994.

It may be observed that even in Japan the co-operatives charge 11% interest on loans advanced by them and according to competent authorities these high rates of interest have not been regarded in Japan as being inhibitory to progress.

While fixing the rate of interest the following factors should be kept in view,

- 1 The rate of interest prevailing in the money market.
- 2 The rate of interest at which the society secures deposits.
- 3 The expenses of management.
- 4 A reasonable margin between lending and borrowing rates.
- 5 The extent of owned funds.

2.6 BANKING REGULATION ACT -1949 APPLICABLE TO CO-OPERATIVE BANKS

(Part-V Section 56 of the BRA 1949.)

By the amending Act 23,/^{of} 1965 called the Banking Laws Act 1965, then the Banking companies Act has been with certain modifications made applicable to certain co-operative societies carrying on the business of banking. This act can be analysed as under-

- 1 To which co-operative societies the Act applies ?
- 2 To which co-operative societies the Act does not applies.

2.6.1 To which co-operative Societies the Act Applies

The Banking Regulation Act (Section 56(a)(i)) applies with effect from 1/3/1966, to the following co-operative societies.

- i) All the state or apex co-operative banks.
- ii) All central co-operative banks (Meaning Principal co-operative societies in state and districts in states, primary object of which is the financing of co-operative societies in their respective states and district).
- iii) Such of primary non-agricultural credit societies including urban co-operative banks, have banking as their principal business and paid up capital and reserves of a nominal value of Rs. 1 lakh or more.

2.6.2 To which co-operative Societies the Act does not Applies ?

The Act does not apply to ,

- i) All primary agricultural credit societies, whatever may be the value of their paid up capital and reserves.

- ii) All non- agricultural primary credit societies with paid-up capital and reserves of the value of less than Rs. 1 lakh.
- iii) All co-operative credit societies, the principal business of which is not banking, but is providing financial help to its members and which do not accept deposits from non members.
- iv) All co-operative societies not carrying on any banking business.

2.6.3 Main Provisions of the Act as applicable to Co-operative Banks

The following is the summary of some of the main provisions of section 56-

A) Non applicability of companies Act 1956

A co-operative bank acquires a corporate character as a co-operative society registered under the Co-operative Societies Act, 1912 (which is a central Act) or the Co-operative Societies Act in force in the state in which it is registered. The companies Act, 1956, therefore, does not apply to co-operative banks and the Banking Regulation Act implies so by omitting the words "The Companies Act, 1956 and" from section 2(S 56 B).

B) Licensing of Co-operative Banks

- i) A primary credit society which does the business of banking but the value of its paid up share capital and reserve is less than Rs. 1 lakh, does not require

a licence from the Reserve Bank.

ii) All co-operative banks (other than state and central Co-operative banks) with their paid-up share capital and reserves of the value of Rs. 1 lakh or more are required to hold the licences.

iii) State and Central Co-operative Banks are required to hold the licences whatever be the said value.

iv) A primary credit society becoming primary co-operative bank after 1/3/1966, that is, increasing its paid-up share capital and reserves to Rs. 1 lakh or more, has to apply for a licence within three months after its so becoming.

2.6.4 Minimum paid-up capital

business

(Section 11) for Banking, the aggregate value of the paid-up capital and reserves is required to be not less than 1 lakh of rupees. The said requirement as to minimum paid-up capital and reserves does not apply to a co-operative bank in existence at the commencement of Act 23 of 1965 for a period of 3 years from the date. It also does not apply to a primary credit society becoming a primary co-operative Bank after 1/3/1966 for a period of 2 years from its so becoming.

2.6.5 Cash Reserve (Section 18)

As per the substituted section the cash reserve of 3% is to be maintained with reference to demand and time liabilities as on last friday of the second preceding fortnight instead of calculating the same with reference to cash days demand and time liabilities.

2.6.6 Restrictions on holding of shares in other co-operative societies (Section 19)

No co-operative bank shall hold shares in any other co-operative society except to such extent and subject to such conditions as the RBI may specify in that behalf.

i) Shares required through funds provided by the state Government for that purpose.

ii) In the case of central co-operative Bank, the holding of shares in the state co-operative bank to which it is affiliated.

iii) In the case of primary co-operative bank the holding of shares in the central co-operative bank to which it is affiliated or in the state co-operative bank of the state in which it is registered.

2.6.7 Restrictions on loans and advances : (Section 20)

Restrictions on loans/advances

1 Co-operative bank shall not,

a) Make any loans/advances on the security of its own shares or

- b) Grant unsecured loans/
- i) To any of its directors or
 - ii) To firm of private companies in which any of its directors is interested as partner.
 - iii) To any company in which the chairman of the co-operative bank is interested as its managing agent.

2) Every co-operative bank shall, (before the close of the month succeeding that to which the return relates,) submit to the RBI a return in the prescribed form and manner showing all unsecured loans and advances granted by it to companies in case in which any of its director is interested as director or managing agent.

3) If it appears to the RBI that any loans/advances referred to in that sub section are being granted to the detriment of the interests of the deposits of the co-operative bank, the RBI may ^{by} order in writing, prohibit the co-operative bank from granting any such further loans/advances. may by like order direct the co-operative bank to secure the repayment of such loan or advance within such time as may be specified in the order.

4) **Audit**

The provisions regarding audit of the accounts of a co-operative bank are similar to those relating to banking companies (Section 29).

2.7 CO-OPERATIVE BANKING IN INDIA

England is the birth place of consumers co-operation started by Rochdale pioners, co-operative Banking,orginated first in Germany, and its pioneers were Herr Schulze, and Horr F.W.Raifferish. After their retirement from the government service, both started social work in their native places. Schulze found that the greatest need of the poor people was the provision of credit, but at the same time came to the conclusion that no one could help them unless they tried to stand on their own legs and by self help organise themselves to obtain it. So in 1860 he founded his first loan society in his own native town.

In 1904, the co-operative movement was started in this country largely with a view to provide agriculturists with finance required for agricultural operations at reasonable rates of interest. The co-operative society has to take the place of the money lenders and provide cheap loans to the farmers for productive purposes. Even though many types of co-operative societies have since, been started , particularly for the artisans and others, the most common form of such societies deal in rural credit and therefore we shall be dealing with the history and the present position of such societies.

Co-operation was started in India as a remedy of the proverbial ? Poverty of the millions of small peasants. It was found that inspite of the rapid growth of commerce and industry the economic condition of the peasants had not been progressing.

It is on the basis of the recommendations of this committee that the co-operative credit societies Act 1904 was passed and societies were classified as rural and urban. Since then several committees were set up and their recommendations have been given effect to now almost all the states have passed their own Acts regarding the co-operative banks except the centrally administered territories and a variety of co-operative banks have been established all over the country.

CO-OPERATIVE BANK

Banking is defined in the Indian banking companies Act as accepting (for the purpose of lending or investments) deposit or money from the public repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise and a bank is one which does the banking' business.

According to Hart " A Banker is one who, in the ordinary course of his business, honours cheques drawn upon himself by persons from and for whom he receives

money in current account."

A co-operative bank is one which performs the above functions on a co-operative basis. Co-operative as a "which is in position to deal with the small man on his own terms accepting the security he has and without drawing on the protection of the rich.

Co-operative means working together. Since, the dawn of human society, co-operation has been born. Social structure and the very existence of society is impossible without co-operation. In co-operation human qualities are important. Man is more important than money. People, join in co-operative bank as human beings and not as provides. Co-operative banks are helpful in the development of national economy. The co-operative banks are trying to meet the requirements of persons of small means.

Co-operative banks in India may be divided into two distinct types. The latter are banks in true sense of the term, since they conform to the definition of a bank given in the Banking Companies Act. Primaries do not strictly conform to the definition of bank. But since they partly perform the function of a bank i.e. lending money they have been regarded as minature banks for villages by the Rural Banking Enquiry Committee

(1950). Many are convinced that they are the most appropriate institutions through whom institutional credit and banking facilities can reach the millions of villages. The following is the detailed classification of the various types of co-operative credit institutions.

Co-operative banking in India can be divided in two important areas, namely agricultural and non-agricultural banks. Among the agricultural co-operative banks-two separate structures exist for short term credit. At the lower level primary agricultural credit societies exist. They have formed by the district central co-operative bank and as the state level co-operative bank exists. The central and agricultural societies serve non agricultural societies also. Such financial functions are undertaken to the central co-operative banks themselves.

On the other hand a separate two tier system serves in lending long term credit to farmer. The central land development banks have been organised in all states in India. In some states they have the branches of the central land development bank. They have organised a national unit called "All India Central Land Development Banks Federation". Likewise all state co-operative banks have organised of their own "All India State Co-operative Banks Federation."

Co-operative Bankers is to offer service to the customers at a reasonable cost. As profit motive is eliminated, a co-operative banker can be offered to lender services at a reasonable cost. Co-operative Banks have also been providing modern banking services comparable to those offered by Commercial Banks.

Mr. N. Barou has laid down five main principles on which the work of a co-operative bank is based.

They are -

- a) Co-operatives character of activities and trust of mutual and of credit granted.
- b) Catering for collective organisation and their members.
- c) Restrictions on the number of individual votes.
- d) Aiming at high rates on deposits and low rates of lending.
- e) Limitation of dividends out of profit and bonus to depositors and borrowers or grants to cultural of co-operative endeavours.

The co-operative banks are registered under the co-operative societies Act of the states by the Registrar of Co-operative Societies and are governed by the acts and rules of the state Govt. or by the Central Act. Since the passing of the BRA, the Co-operative banks are also being governed by the Banking Regulation Act and Reserve Bank of India Act.

1) FINANCIAL AND NON-FINANCIAL INSTITUTION IN INDIA

Table 2.2
TABLE SHOWING POSITION OF FINANCIAL AND NON-FINANCIAL
INSTITUTIONS IN INDIA as on 30th June 1992

	Co-operative & Other financial Institution	Non-financial Institution
1. No.of Institu- tions	1,75,595	1,17,866
2 Members(000)	35,839	30,501
3 Working Capital (Rs.in lakhs)	69,06,207	14,70,257

From the above table it is clear that, the number of co-operative and other financial institutions. The members of co-operative and other financial institutions use are also more than non-financial institutions. The working capital of co-operative and other financial institutions are nearabout 5 times as compare to non-financial institutions.

2) STATE CO-OPERATIVE BANKS

State Co-operative Banks are playing a dominant role in the banking business. The position of State Co-operative Banks in India (as on 30th June 1992) have shown on Table No.2.3.

The table No. 2.3 shows the performance of co-operative credit institutions at the end of June 1992.

It is indicate that the progress of State Co-operative Banks in Maharashtra, Madhya Pradesh, Andhra Pradesh and Tamil Nadu as compare to other states.

At the end of June 1992, the State Co-operative Bank have /10159 / working capital.
Rs. crores

Table 2.3
TABLE SHOWING THE POSITION OF STATE CO-OPERATIVE BANKS
IN INDIA(30th June 1992) (Rs. in crores)

State/Union Territory	No.of Banks	Working Capital	Deposits	Loans & Agricultural sector	Non-Agricultural sector
1. Andhra Pradesh	1	856	274	371	346
2 Assam	1	190	145	004	134
3 Bihar	1	547	218	074	018
4 Goa	1	079	066	001	040
5 Gujarat	1	1204	592	179	256
6 Harayana	1	488	210	367	116
7 Himachal Pradesh	1	260	212	001	192
8 Jammu & Kashmir	1	NA	NA	NA	NA
9 Karnataka	1	615	402	035	451
10 Kerala	1	452	270	084	200
11 Madhya Pradesh	1	1033	463	574	855
12 Maharashtra	1	3164	2224	357	291
13 Manipur	1	NA	NA	NA	NA
14 Meghalaya	1	069	058	001	009
15 Nagaland	1	025	026	005	006
16 Orissa	1	250	073	026	039
17 Punjab	1	639	355	620	NA
18 Rajashtan	1	483	140	222	NA
19 Tamil Nadu	1	1054	451	1117	NA
20 Tripura	1	051	027	007	024

Contd....Table 2.3

1	2	3	4	5	6
21 Uttar Pradesh	1	1305	704	379	NA
22 West Bengal	1	367	240	057	160
23 Andaman & Nicobar	1	024	017	001	016
24 Chandigarh	1	NA	NA	NA	NA
25 Arunachal Pradesh	1	31	26	01	10
26 Delhi	1	NA	NA	NA	NA
27 Mizoram	1	27	21	NA	NA
28 Pandicherry	1	41	28	02	10
Total	28	13,254	7,242	4485	3173

3) CENTRAL CO-OPERATIVE BANKS

Central Co-operative banks are playing very important role in the development/ ^{of} nations economy. Central Co-operative Banks provide short term and long term loans for Agricultural and Non-agricultural sectors. The position of Central Co-operative Banks in India have been shown in Table No.

From the Table No.2.4 it is clear that central Urban Bank in Maharashtra have achieved an outstanding progress as compare to other states central co-operative banks. In Bihar there are 34 C.C.Bs .They have collected Rs. 751 crores as deposits. But in Maharashtra there are 30 C.C.Bs with their deposits of Rs. 5367 crores.

Table 2.4
TABLE SHOWING CENTRAL CO-OPERATIVE BANKS IN INDIA
(30th June 1992)

State/	No.of Banks	working capital	Deposit	Loans	
				Agri.	non-Agri.
1 Andhra Pradesh	22	1242	335	505	94
2 Assam	01	12	11	3	NA
3 Bihar	34	751	221	100	18
4 Gujrat	18	2513	826	291	455
5 Harayana	13	678	267	382	96
6 Himacal Predesh	02	187	135	01	108
7 Jammu & Kashmir	03	NA	NA	NA	NA
8 Kerala	14	1020	718	154	475
9 Madhya Pradesh	45	1425	815	389	220
10 Maharashtra	30	5367	3609	2668	3767
11 Orissa	17	302	219	33	46
12 Punjab	15	992	635	810	NA
13 Rajashtan	26	587	315	212	NA
14 Tamil Nadu	18	1997	1162	1486	NA
15 Tripura	NA	NA	NA	NA	NA
16 Utter Pradesh	57	1852	1144	783	312
17 Karnataka	19	788	503	60	414
18 West Bengal	17	395	88	97	38

Souce : Arthsanwad July 1994

PROFILE OF CO-OPERATIVE MOVEMENT IN MAHARASHTRA

Origin : The origin of co-operative movement in Maharashtra State (Old Bombay Province) dates back to 1882 when the first "Urban Co-operative Bank" (Anyonya Sahakari Mandali) was established at Baroda. Though phad system in Kolhapur was the form of an informal co-operative that existed much prior to that.

The movement was formally introduced through All India Co-operative Societies Act 1904. As a matter of fact the movement then was concerned primarily with agricultural credit and still its share in the total credit needs of farmers was negligible. Urban Credit Movement had hardly seen the light of the day and then diversification of co-operative activities were not heard of. All these developments are of the post independence era.

1947-1960 : The Bombay province continued to be the leader in the country even there after till "Maharashtra State" came to be established in May 1960. The crop system which for the first time introduced, the concept of "Credit worthness of the purpose of loan rather than of the borrower".

Then the concept of "Loan in Kind" was introduced and primary agricultural credit societies were converted into Multi-purpose co-operative Societies.

With the help of AIRCS Department 1954 the three tier system of co-operative Credit takes place. Consisting of (i) Village Agricultural Credit Society-at primary level.(ii) District Central Co-operative Banks-at the district level (iii) Apex Co-operative Banks-at the state level.

There are some sign of the establishment of non-credit co-operative, viz. marketing crops, co-operative portion societies, lift irrigation co-operatives & so on.

CO-OPERATIVE LAW AMENDED

In this period the amendment to the Bombay Co-operative Societies Act-1925 effected in 1947 and 1948. These amendment provide to be "MILE-STONE" in the history of Co-operative Movement in India.

Need of Co-operative Banks

The first co-operative sugar factory at Pravaranagar wanted a Govt. financial support of just Rs. 10 lakh and the state Govt. was willing to extend the same. Vaikunthbhai Mehata, Finance Minister, still it was not easily approved. Then this fact should explained in Ministry and noted on the file by Mr. K.S.Bawa-IAS. This should explained the need of finance.

1 **FINANCIAL AND NON-FINANCIAL INSTITUTIONS IN MAHARASHTRA**

Table 2.5
TABLE SHOWING FINANCIAL AND NON-FINANCIAL INSTITUTION
IN MAHARASHTRA (as on 30th June 1992)

	Cooperative and other financial Institutions	Non-financial Institutions
1 No.of Institutions	32,455	36,597
2 Members (000)	1176	6207
3 Working capital (Rs. in lakhs)	18,84,508	5,12,194

The above table shows co-operative and other financial institutions and Non-financial institutions in Maharashtra.

The number of institutions and members of non-financial institutions are more than, co-operative and other financial institutions. But the working capital of co-operative and other financial institutions are more than 3.5 times as compare to non-financial institutions.

2 **STATE CO-OPERATIVE BANK**

The position of State Co-operative Bank in Maharashtra, at the end of June 1992 was as under,

- 1) the composition of working capital was Rs. 3,164 crores.
- 2) Deposits collected by SBC was Rs. 2,224 crores
- 3) Loans provided for agricultural sector and non-agricultural sector was Rs. 357 crores and Rs.291 crores respectively.

3) CENTRAL CO-OPERATIVE BANK

The position of CCB's in Maharashtra at the end of June 1992 was as under,

- 1) In Maharashtra there are 30 central Co-op.Banks.
- 2) Total working capital of CCB's in Maharashtra was Rs. 5,367 crores.
- 3) Total deposits by the CCB's was Rs. 3,609 crores.
- 4) Loans provided for agricultural and non-agricultural sector was Rs. 2,868 crores and Rs. 3,767 crores respectively.

CO-OPERATIVE BANKS IN SANGLI DISTRICT

In Western Maharashtra, Sangli District is one of very important district, Sangli district is always in leading of politics, socialism, industrialisation and in co-operatives Sangli district is one of speedily developing area in Maharashtra.

It will be appropriate to study the location of Sangli district on Maharashtra State Map.

Sangli district is situated between Kolhapur, Solapur, Satara and Belgaum district. It is surrounded by Solapur district in the East, Kolhapur district by the West, Belgaum district by the South and Satara district by North. In Sangli district, river Krishna, Koyana and Warana are flowing from West to East and major portion of the district comes under cultivation.

In this district co-operative credit movement started in 1926. The first co-operative Bank was established in 4th May, 1926 named "The Islampur peoples

Co-operative Bank Ltd., Urun-Islampur.

It is appreciable that the Sangli District has made good progress during after independence of our Nation.

Miraj Taluka is leader of co-operative Banks because out of 23 co-operative banks in Sangli District, 12 Banks are consisted in Miraj. There are also some Tahsils who have none be Bank established.

Table 2.6
Table showing Number of Co-operative Banks in Sangli District.

Sr.No.	Name of the Bank	Date of Registration
1	2	3
I)	<u>MIRAJ TALUKA</u>	
1	Sangli District Central Co-operative Bank Ltd., Sangli	28.2.1927
2	Sangli Urban Co-operative Bank Ltd., Sangli	4.11.1935
3	Miraj Urban Co-operative Bank Ltd., Miraj	29.4.1949
4	Shetkari Sahakari Bank Ltd., Sangli	13.8.1965
5	Sangli Janta Co-operative Bank Ltd., Sangli	30.9.1960
6	Yashwant Sahakari Bank Ltd., Miraj	19.4.1967
7	Shri Laxmi Mahila Co-operative Bank Ltd., Sangli	20.12.1971
8	MurghaRajendra Co-operative Bank Ltd., Miraj	14.10.1975
9	Sangli District Primary Teachers Co-operative Bank Ltd., Sangli	4.11.1952

Contd....Table 2.6

1	2	3
10	Shri Parshavanath Co-operative Bank Ltd., Sangli	28.3.1984
11	Shri Laxmi Sahakari Bank Ltd., Mhaisal	31.3.1984
12	Dudheshwar Sahakari Bank Ltd., Dudhagaon	28.5.1986
II <u>Tasgaon Taluka</u>		
1	Satyavijay Sahakari Bank Ltd., Kundal	7.3.1964
2	Palus Sahakari Bank Ltd., Palus	24.2.1966
3	Tasgaon Urban Co-operative Bank Ltd., Tasgaon	6.2.1936
III <u>KHANAPUR TALUKA</u>		
1	Vita Merchant Co-operative Bank Ltd., Vita	19.6.1936
2	Janta Sahakari Bank Ltd., Vita	19.6.1936
IV <u>JATH TALUKA</u>		
1	Jath Urban Co-operative Bank Ltd., Jath	2.1.1953
V <u>WALVA TALUKA</u>		
1	The Islampur Co-operative People Bank Ltd., Urun-Islampur	5.5.1926
2	The Islampur Urban Co-operative Bank Ltd., Islampur	26.6.1935
3	The Ashta Urban Co-operative Bank Ltd., Ashta	20.1.1947
4	The Ashta People Co-operative Bank Ltd., Ashta	20.2.1960
5	Rajaram Bapu Sahakari Bank Ltd., Peth	29.6.1981
VI <u>SHIRALA TALUKA</u>		
		Nil
VII <u>ATPADI TALUKA</u>		
		Nil
VIII <u>KAVATHE MAHANKAL TALUKA</u>		
		Nil

Table 2.7
TABLE SHOWING POSITION OF CO-OPERATIVE BANKS IN SANGLI DISTRICT (MARCH 1994)

Sl.No.	Name of the Banks	No. of Branches	Membership	Paidup Share capital	Working capital	Statutory and Other Reserve	Deposits	Loans advance	Investment	Amount overdues	Net Profit
			Regular	Nominal							
1	Sangli District Central Co-operative Bank Ltd., Sangli	173	373	2332	1005.90	37525.80	1362.85	29376.10	25353.32	1676.00	201.07
2	Sangli Urban Co-operative Bank Ltd., Sangli	35	36128	20840	140.84	25186.74	1125.72	22577.80	14211.50	120.71	30.60
3	Sangli District Primary Teacher Co-operative Bank Ltd., Sangli	13	7905	350	152.93	2773.44	58.13	1916.27	2045.48	13.06	86.65
4	Shetkari Sahakari Bank Ltd., Sangli	6	9255	1152	255.94	2622.13	66.81	2112.18	2042.11	19.12	12.16
5	Shri Parshwanath Co-operative Bank Ltd., Sangli	3	4621	414	28.60	1222.52	73.98	999.13	760.04	28.42	21.30
6	Shri Laxmi Mahila Co-operative Bank Ltd., Sangli	3	5389	2181	15.29	528.05	40.35	441.10	237.17	25.59	0.78
7	Sangli Janatha Co-operative Bank Ltd., Sangli	8	11242	3144	394.46	2825.36	74.91	2400.80	2056.39	20.91	18.42
8	Miraj Urban Co-operative Bank, Ltd., Miraj	5	8041	1154	46.59	1778.60	184.17	1451.044	1151.82	16.17	10.03
9	Yashwant Sahakari Bank Ltd., Miraj	4	5045	641	34.41	875.00	84.07	723.41	543.22	14.80	39.48
10	Murgha Rajendra Sahakari Bank Ltd., Miraj	10	15888	4714	59.20	3451.36	196.01	3051.71	2471.73	13.06	86.65
11	Shri Laxmi Sahakari Bank Ltd. Mahisal	-	1189	109	12.58	161.65	9.96	97.78	90.37	3.25	2.88
12	Dudhshwar Sahakari Bank Ltd., Dudhgaon	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13	Satyavijay Sahakari Bank Ltd., Kundal	2	1698	209	12.49	398.48	13.97	406.99	261.73	1.63	5.22
14	Palus Sahakari Bank Ltd., Palus	2	5669	1276	27.01	562.29	33.27	502.00	445.55	14.40	3.30
15	Tasgaon Urban Co-op. Bank, Tasgaon	4	3625	1456	18.44	792.06	107.02	636.29	44.00	41.04	16.57
16	The Vita Merchant Co-op. Bank Ltd., Vita	12	6559	7884	59.65	4769.74	202.42	3697.47	885.06	68.15	29.01
17	Janata Sahakari Bank Ltd., Vita	4	5452	2158	52.63	1122.18	179.19	1118.27	495.12	51.98	18.10
18	Jath Urban Co-op. Bank Ltd., Jath	2	4558	1345	17.42	688.04	102.11	542.19	42.11	21.02	4.11
19	The Islampur Urban Co-op. Bank Ltd. Islampur	3	5112	1816	19.31	912.13	119.17	688.13	588.01	28.19	5.18
20	The Islampur Co-op. Peoples Bank Ltd. Urun-Islampur	1	1402	112	7.70	140.50	11.34	114.10	34.16	0.31	1.60
21	The Ashta Peoples Co-op. Bank Ltd. Ashta	7	4208	4547	32.47	1430.47	87.77	1264.03	779.76	24.12	1.02
22	The Ashta Urban Co-op. Bank Ltd. Ashta	4	4341	1915	4306	992.13	168.11	913.37	398.42	41.78	2.12
23	Rajaram Bapu Sahakari Bank Ltd., Peth	3	3212	2197	3922	871.15	176.72	919.45	312.16	38.56	3.11
	Total	304	150912	61946	2476.14	91629.2	4478.02	75949.61	61666.08	2282.27	174.40

Source : Record of district Deputy Registrar Office Co-op. Societies Sangli.

CO-OPERATIVE BANK IN MIRAJ TALUKA (Tahsil)

The co-operative banks in the Miraj Taluka (Tahsil) comparing to the whole district are made a good headway in the recent years of the co-operative movement since prior to the independence period. Mainly, these co-operative banks were established with the objective of the profit making and to provide loans to the artisans, poor peoples, businessmen, small scale industries, middle class peoples of the society etc.

Today they are become very popular in the Miraj city and Miraj Taluka. People of the various categories are attracting to deposit their money with these co-operative banks. The figure of membership is increasing, day by day, tremendously in the modern co-operative field of banks.

In Sangli district, there are 23 co-operative banks. Out of these 23 co-operative banks 12 co-operative banks are only in Miraj Tahsil. Its indicates that the vast and rapidly progress of co-operative banks in Miraj Taluka.

These banks have a good and lengthy public relations for smoothly running in this cut throat competition of banking world. The co-operative banks are fulfilling the needs of the weaker and poor sections of the community in rural, urban and semi-urban areas (See Table No.2.8)

Table 2.8
TABLE SHOWING THE POSITION OF CO-OPERATIVE BANKS IN MIRAJ TALUKA (MARCH 1994)

Sr.No.	Name of the Bank	No. of Branches	Membership		Paid up share capital	Working capital and other	Statutory deposits	Loans & advances	Investment	Amount overdues	Net profit
			Regular	Nominal							
1	Sangli Dist. Central Co-op. Bank Ltd., Sangli	173	373	332	1005.90	37525.80	1362.85	29376.10	8482.32	1676.00	201.67
2	Sangli Urban Co-op. Bank Ltd., Sangli	35	36128	20840	140.84	25186.74	1125.72	22577.80	395.13	120.71	30.60
3	Sangli Dist. Primary Teacher Co-op. Bank Ltd., Sangli	13	7905	350	152.93	2773.44	56.13	1916.27	94.86	13.06	36.65
4	Shetkari Sahakari Bank Ltd., Sangli	6	9255	1152	255.94	2622.13	66.81	2042.11	180.19	19.12	12.16
5	Shri Parshwanath Co-op. Bank Ltd., Sangli	3	4621	414	28.60	1222.52	78.98	999.13	288.22	28.42	21.30
6	Shri Laxmi Mahila Co-op. Bank Ltd., Sangli	3	5389	2181	15.29	528.05	40.35	441.10	88.60	25.59	0.78
7	Sangli Janata Co-op. Bank Ltd., Sangli	8	11242	3144	394.46	2825.36	74.91	2400.80	408.14	20.91	18.42
8	Miraj Urban Co-op. Bank Ltd., Miraj	5	8041	1154	46.59	1778.60	184.17	1451.04	385.31	16.17	10.03
9	Yashwant Sahakari Bank Ltd. Miraj	4	5045	641	34.41	875.00	84.07	723.41	1.95	14.80	39.48
10	Murgha Rajendra Sahakari Bank Ltd. Miraj	10	15888	4714	59.20	3451.36	196.01	3051.71	721.91	13.06	86.65
11	Shri Laxmi Sahakari Bank Ltd. Mhaisai	-	1189	109	12.58	161.65	9.96	97.78	1.86	3.25	2.88
12	Dudheshwar Sahakari Bank Ltd. Dudheshwar	260	105076	37031	2146.74	78950.65	3276.96	65147.32	NA	NA	NA
	Total								11048.49	1951.09	85.06

Source : Record of District Deputy Registrar Office of Co-operative Societies Sangli.